

The Commonwealth of Massachusetts

Department of Revenue

Leverett Saltonstall Building,

100 Cambridge Street, Boston 02204

L. TYCE HANPERS
COMMISSIONER

April 28, 1981

You ask whether solar water heater units which you assemble and install are exempt from the Massachusetts sales tax.

These solar water heaters are designed for residential use. Each heater unit contains the following: a storage unit with heat exchanger; collector panels with mounting hardware; heavily insulated copper manifold piping; insulated copper piping connecting the collectors to the heat exchanger; 8 to 11 gallons of distilled water; and the components normally found in a non-solar water heater, including a back-up system consisting of an electrical element completely enclosed in the tank for use when solar energy is insufficient. Residential users not desiring a back-up system must purchase the entire unit, but need not have the electrical element connected to their household electrical supply.

Massachusetts General Laws, Chapter 64H, Section 6(dd) exempts from sales and use tax

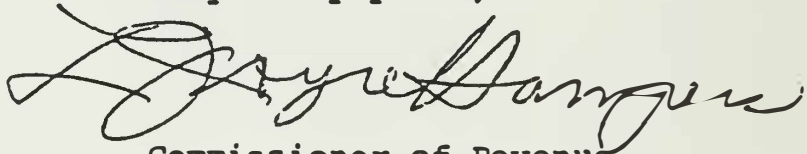
"[Sales of equipment directly relating to any solar, wind-powered, or heat pump system which is being utilized as a primary or auxiliary power system for the purpose of heating or otherwise supplying the energy needs of an individual's principal residence in the commonwealth.]"

April 28, 1981

Based on the foregoing, it is ruled that sales to you when acting as a contractor, or by you when acting as a vendor, of the solar water heater units described above are exempt from the Massachusetts sales tax if purchased for use in an individual's principal residence in Massachusetts.

Form ST-12A (Exempt Use Certificate For Alternate Energy Equipment Only) must be completed with respect to each purchase of exempt solar water heaters and their components.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jay C. Langen".

Commissioner of Revenue

LJH:DME:mf

Enclosure

LR 81-36